



City of NORFOLK

C: Dir., Department of General Services

To the Honorable Council
City of Norfolk, Virginia

July 14, 2015

From: David S. Freeman, AICP
Director of General Services

Subject: Acceptance of Bid for
Extension of a Long Term Parking
Agreement for 107 Residential
Parking Spaces in the Freemason
Street Garage

Reviewed: Sabrina Joy-Hogg
Sabrina Joy-Hogg, Assistant City Manager

Ward/Superward: 2/6

Approved: Marcus D. Jones
Marcus D. Jones, City Manager

Item Number:

IB-2

I. **Recommendation:** Accept Highest Bid from a Responsible Bidder and Adopt Ordinance.

II. **Applicant:** City of Norfolk

III. **Description:**

This agenda item is an Ordinance accepting a bid for extension of a Long Term Parking Agreement in the Freemason Street Garage, which was initiated by the developer with the intent of providing parking for resident tenants in the building located at 401 Granby Street. The Freemason Street Garage has sufficient available capacity to accommodate the 107 parking spaces required by this agreement.

IV. **Analysis**

As stated above, sufficient capacity is available in the Freemason Street Garage to accommodate the potential demand of up to 107 total spaces. The proposed term of the parking agreement would be fifteen (15) years and one (1) month to commence on the termination date of the current four (4) year and eleven (11) month agreement. Because the term is in excess of five (5) years, the proposed lease must be bid in accordance with the requirements of section 15.2-2100 of the *Code of Virginia*.

V. **Financial Impact**

Under this Parking Agreement, the City would provide a maximum of 107 unreserved parking spaces in the Freemason Street Garage at the monthly rate charged for 24/7 residential parking (currently \$50.50 per space). The potential revenue to the Parking Fund could be as

high as \$64,842 per year or potentially as high as \$1,296,840 over the life of both agreements. The rates charged are subject to future rate adjustments.

VI. Environmental

N/A

VII. Community Outreach/Notification

In accordance with the Norfolk City Charter and Virginia State law, legal notice was posted in *The Virginian-Pilot*. In addition, public notification for the agenda item was conducted through the City of Norfolk's agenda notification process.

VIII. Board/Commission Action

N/A

IX. Coordination/Outreach

This letter and ordinance have been coordinated with the Department of General Services, Department of Development and the City Attorney's Office.

Supporting Material from the Department of General Services:

- Ordinance
- Lease Agreement

Form and Correctness Approved:

By Nathan B. Seaman
Office of the City Attorney

Contents Approved:

By [Signature]
DEPT.

NORFOLK, VIRGINIA

ORDINANCE No.

AN ORDINANCE ACCEPTING THE BID SUBMITTED BY _____ FOR THE EXTENSION OF THAT CERTAIN GARAGE PARKING AGREEMENT BETWEEN GNK, LLC AND THE CITY OF NORFOLK, FOR 107 RESIDENTIAL PARKING SPACES IN THE FREEMASON STREET GARAGE, FOR A PERIOD OF FIFTEEN YEARS AND ONE MONTH, TO COMMENCE ON THE TERMINATION DATE OF THE CURRENT AGREEMENT.

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WHEREAS, the City of Norfolk ("City") entered into a garage parking agreement with GNK, LLC ("GNK"), dated March 29, 2013 ("2013 Agreement"), for the lease of a maximum of 107 parking spaces in the Freemason Street Garage for a term of four years and eleven months in accordance with the requirements of the Code of Virginia, 1950, as amended; and

WHEREAS, GNK has requested that the current 2013 Agreement be extended for an additional term of fifteen years and one month so that the term of the 2013 Agreement, as extended, will total twenty years; and

WHEREAS, Section 15.2-2105 of the Code of Virginia, 1950, as amended, requires that any such extension be bid in accordance with the provisions of Sections 15.2-2101 through 15.2-2104 of the Code of Virginia, 1950, as amended; and

WHEREAS, pursuant to the provisions of Section 15.2-

2100, et seq., of the Code of Virginia, 1950, as amended, the City of Norfolk has invited bids for the extension of the current 2013 Agreement for an additional fifteen years and one month, to commence on the current termination date, such extension to be subject to all other terms and conditions of the 2013 Agreement; and

WHEREAS, the requirements of Sections 15.2-2101 and 15.2-2102 of the Code of Virginia, 1950, as amended, have been met and the Council has carefully considered all bids submitted; now, therefore,

BE IT ORDAINED by the Council of the City of Norfolk:

Section 1:- That _____, being the highest responsible bidder, its bid for the extension of the current 2013 Agreement for an additional fifteen years and one month, subject to all other terms and conditions of the 2013 Agreement, is hereby accepted.

Section 2:- That pursuant to Section 15.2-2104 of the Code of Virginia, 1950, as amended, the Council has determined that a bond in the sum of \$500.00 shall be executed in favor of the City of Norfolk.

Section 3:- That the City Manager is authorized to execute an Extension of the 2013 Agreement consistent with this ordinance, and to do all things necessary and proper in furtherance thereof.

Section 4:- That this ordinance shall be in effect from and after thirty (30) days from the date of its adoption.